

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 177 - HB 508**

February 10, 2009

**SUMMARY OF BILL:** Authorizes existing local education agencies to convert to a special school district.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Other Fiscal Impact – State BEP money will transfer from the city or county school system to the special school district.**

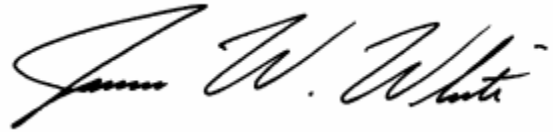
**Local government revenue and expenditures from a city or county government will shift to the special school district - Exceeds \$100,000/Permissive**

Assumptions:

- State BEP formula and allocations will remain unchanged. State funds will shift to the special school district.
- Special school districts will be completely autonomous from the county or city government.
- The county or city government will no longer issue debt or levy taxes for maintenance of a school system that becomes a special school district. Debt issuance and taxing authority will transfer to the special school district. Any school debt currently on the county or city's books will transfer to the special school district.
- It is unclear if a city or county will be permanently relieved from their obligation to provide K-12 education.
- Special school districts will require separate audits. Any increase in state expenditures to conduct such audits is estimated to be not significant.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

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